

August 8, 2004

Billie Grier  
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Dear Billie:

It was a pleasure to meet you at this past week's OWE meeting, where Debra Reed was the luncheon speaker.

We discussed your interest in getting input on the proposed plan for reconstituting the California government, based on the proposals of the California Performance Review in Sacramento. I mentioned the observation that the Commission on Women was one of the sacrifices proposed to save the state money.

I submit the following data in support of my argument that we should cease creating "special girlie" commissions that can be tossed out the window at the first sign of economic hardship, to the detriment of long-term support for all mainstream women's economic support issues. If you're going to toss out the Commission on Women, I'm going to expect every single public agency in the State of California that benefits from the dollar contributions of women and women-owned businesses to step up to the plate and acknowledge those contributions as a normal course of their business. I'm going to expect that the State of California meet its legal and ethical obligation to provide "a level playing field" for women in the economic marketplace.

The Commission on Women hardly was memorable either in its financial or programmatic impact on the advancement of women in the State of California. It's not much different from the programs at the national level.

According to the National Women's Lobby Bulletin of July 2004, privately-held women-owned businesses (10.6 M) represent 30% of U.S. businesses, employ 19.1 million workers and generate \$2.5 trillion in sales, yet receive ONLY 2.98% of federal contracts.

The U.S. never achieved the promised goal of 5% of federal contracts going to women-owned businesses, the so-called FASA procurement goal set by Public Law 106-554, The Women's Procurement Program (1994 Federal Acquisition Streamlining Act, FASA).

Women-owned business revenues average 10% less than comparable male businesses. Business size is smaller than the general marketplace. This reflects the greater challenges women face in accessing credit, contracts, and marketplaces compared to their male counterparts.

From 1997 to 2002, women-owned businesses increased their numbers by 14% compared to only 7% for all firms; increased their number of employees by 30% compared to only 18% for all firms; and increased their revenues by 40%, about the same as all firms. [Source: Center for Women's Business Research]

Yet, agencies such as the Small Business Administration – which are chartered to help women gain equal access to credit, contract, and marketplace opportunities – respond as did Melanie Sabelhaus, the U.S. SBA Deputy Administrator, with wrong-headed conclusions such as,

“Women-owned businesses require less [sic??] as far as loan size.”

With friends like Melanie, who needs enemies?

The facts indicate that women-owned businesses are growing and succeeding without the substantive assistance of those agencies chartered to help them by leveling the competitive playing field.

Essentially, what has happened in the past 6 years is that women are making women-owned businesses work and succeed IN SPITE of a total failure on the part of federal and state financial assistance that was to be available for women, or at least available on “an equal basis” with other businesses.

- Between FY 1998 and 2004, women-owned businesses increased their numbers by 23% and their sales by 46%. Yet, the U.S. SBA loans to women increased by ONLY 1.1%.
- The total number of federal contracts increased 7% between the years 2000-2004. The share of federal contracts going to small businesses has DECLINED over the same period by 14%.
- The “micro loans”, small loans that go 50% to women, are being phased out by the U.S. SBA.
- From FY 1998-2003, the U.S. SBA DECREASED the average value of loans to women-owned businesses by 7.5% even though the number women-owned businesses increased faster than other businesses.
- The share of the number of loans and equity investments given to women-owned businesses DECREASED 2.4% (from 22.9% to 20.5%) for the period FY 1998-2003.

By 2004, the number of majority-owned women-owned businesses (51%) reached 6.7 M of which California's share was 11.5% or 773,000 women-owned businesses. An additional 3.9 M U.S. firms were equally-owned women-owned businesses (50%), with

the California share at 12.2% or 476,000 women-owned businesses for a total of 1.2 M out of 10.6 M (11.8% of the nation's total). [Source: Center for Women's Business Research].

Does California report statistics on the number of women-owned businesses – whether majority-owned or equally-owned? What are the California statistics for state procurement contracts going to women-owned businesses? Where are the California statistics for credit, loans, financing going to women-owned businesses?

If the elimination of the Commission on Women in the State of California meant that women-owned business data would be reported as a normal course of ALL agencies information dissemination of their business affairs, to affirm that this state is an equal opportunity state, I would be all in favor of the change. If I could feel confident that all state agencies would be transparent in their reporting of statistics that I could trust to demonstrate that California recognized the significant economic value of women-owned businesses and women-generated business dollars, I'd gladly support such mainstreaming rather than rely on special purpose Commissions to which the public at large had little or no access.

It would be in the interest of women-owned businesses statewide, for example, to see the Department of Corporations regularly report data on new business formations of women-owned firms. I would like to see the Board of Equalization regularly report data on revenues generated by women-owned businesses by industry category. I would prefer to see the Employment Development Department regularly report employment of women-owned businesses as normal course of its charter.

The reason I want these mainstream economic indicators is that I want fair and equitable access to the marketplace data on which I and my peers can rely as we develop our business plans, our applications for credit, and our long term strategic goals.

In general, I expect that every California agency to report on the significant contribution of women entrepreneurs, women businesspeople, women borrowers, women employers/employees, and women revenue-generators as a normal course of business. I do not want to see 51% of the population of the State of California marginalized under some do-nothing social commission hidden somewhere in the halls and gatherings of Sacramento. I do not want to wait and depend on some special commission to eek out token moneys to support one-shot studies that will get thrown out with the next administration.

And, as a business-owner, I would prefer to see the social welfare and social services contributions and concerns of women dealt with by the appropriate "health and human welfare" agencies, rather than bundle those issues under the rubric of other economic and marketplace activities. Why? Because, as a business owner, when the so-called "female issues" come under budgetary attack in tight economic times – as we currently and often have seen – I do not want to see the progress that we've made in capital, procurement,

and contract marketplaces thrown out the window in the debate over female reproductive issues, family and workplace issues, along with the other political sacrificial lambs.

I'm not afraid of eliminating token commissions, agencies, or whatever that were established to give California women the false promise of equal opportunity to state business. I'm not afraid that women cannot compete in a fair and equal marketplace.

What does concern me is that this is 2004 and just about every economic indicator I look at shows token, marginal, and superficial progress for women at work and for women-owned businesses in terms of the "equal opportunity" that I remember being the promise of two, three and four DECADES ago. The only change I see is that women are DOING the job and MAKING things change pretty much on their own, without the help of fair and equitable treatment on that "level playing field" that we so espouse as a free-market economy.

Enough already. It's time to deliver on those promises. That's what I expect of this and every other administration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Elizabeth Ghaffari', with a stylized flourish at the end.

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